



Intragovernmental Transactions Making Improvements Now

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Outline

- Current Process
- Problems with the Current Process
- It's Your Data
- You Can Drive Improvements
- Take Action Now



Current Process

- Intra-DoD Sellers Drive Balances
 - Sellers Load Balances by Partner into DDRS
 - Buyers Adjust Trial Balance Amounts to Agree with Seller Amounts
- Level 1 (Outside-DoD) Balances Estimated
 - DoD Loads Both Buyer and Seller Details
 - No Reconciliation with Level 1 Partners Within DDRS
- Waived Entities Force Adjustments
 - Waived Entities Tell DoD Sellers What to Load

Problems With Current Processes



- Intra-DoD Sellers Drive Balances
 - Most Buyers are Forced to Adjust to Seller Balances
 - Creates Unexplained Variances
 - No Accountability (Without a Valid Challenge)
- Level 1 Balances are Estimated
 - Assumes Other Federal Partners are Correct
 - Requires Estimation Methodology and Review of Resulting Data
- No Details to Challenge Balances
- Are We Using Accrual Basis Accounting?
 - Are Sellers Accruing Unbilled Revenue?
 - If Sellers Don't Accrue, Buyers are Forced to Reverse Their Accruals



It's Your Data

- DFAS Posts Elimination Adjustments, but They are ***Not*** DFAS' Adjustments – They are ***Your*** Adjustments
- Reciprocal Balances Must Agree to Complete Reports in DDRS and to Submit to OMB
- Without Your Input, Adjustments are Determined by Default
- Review all Elimination Adjustments
 - Question Adjustments Made – Are they Necessary & Correct?
 - Compile/Compare Amounts for Variance Analysis
- Use What you Learn
 - Identify Areas to Focus Efforts
 - Target Particular Accounts
 - Target Particular Partners

You Can Drive Improvements



- Become Involved in the Process
 - Pull Your Own Data - Obtain and Apply Any Assumptions
 - Review DFAS-generated Data
 - Look at Trading Partner Balances Loaded in DDRS
 - Use What you Know - Does it Make Sense?
- Obtain the Support to Drive the Process
 - Find Ways to Incorporate the Necessary Elements Into Existing Accounting/Feeder Systems
 - Download and Supplement with Necessary Elements in Databases and Spreadsheets
 - Attempt to Validate/Reconcile
- Establish Rules and Processes
 - Provide Training to your Community (Budget and Accounting)
 - Capture the Data When Orders are Executed
 - Enter the Data at the Front End of the Process - into Systems Where Possible, Databases and Spreadsheets where Not Possible



Take Action Now

- You Need Not be an Audited Entity to Pursue a Waiver
- Not only Waived Entities Can Challenge
- Make the Data Available to Support Your Balances – THEN:
 - Challenge Invalid Seller Balances
 - Challenge Waived Buyers if Balances Appear Incorrect
 - Reconcile with Partners
 - Request a Waiver